

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 280 – SB 549**

February 12, 2017

**SUMMARY OF BILL:** Increases from 15 to 30 days the time period a motor vehicle owner has to provide proof of compliance after receiving notice from the Department of Revenue (DOR) that the owner's vehicle is uninsured and thus out of compliance with the Insurance Verification Program (IVP) law. Authorizes the DOR to provide a request for information to a vehicle owner to determine if the vehicle is uninsured; and to provide notices of noncompliance to an administratively practicable number of owners when the required number otherwise becomes administratively prohibitive.

Requires the existing vehicle registration reinstatement fee charged by county clerks to be used specifically for administration of the IVP; thus not revert to the county general fund at year's end. Prohibits the DOR from processing an application for reinstatement or renewal of registration until the applicant provides one of the following: proof of financial responsibility; proof of exemption; or a statement under penalty of perjury indicating the vehicle is not in use on any public road. Removes the permissive authorization for a local legislative body to vote to charge the local \$25 reinstatement fee, and instead makes the local fee mandatory.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Tenn. Code Ann. § 55-12-211 authorizes a county legislative body to vote to impose a county reinstatement fee up to \$25 for reinstatement or renewal of registration of a motor vehicle after a suspension or revocation of the registration under Tenn. Code Ann. § 55-12-210.
- The fiscal memorandum relative to the IVP law (Public Acts 2016, Public Chapter 511), assumed counties will elect to impose a county reinstatement fee of \$25. As a result, it is assumed that counties have elected to impose a county reinstatement fee of \$25 in the absence of this legislation. Therefore, no additional local revenue is anticipated as a result of this bill.
- Specifying that the county reinstatement fees be earmarked for administration of the IVP, and thus being prohibited from reverting to the local general fund, will not cause any significant change to total local revenue; it will only result in a change of use for

**HB 280 – SB 549**

those current funds by the respective local jurisdiction. In addition, there are no new fees associated with this legislation.

- The Department of Revenue has confirmed that operations and expenditures related to providing notices or requests for information will be not significant.
- The Department of Safety has confirmed that passage of this bill will result in no fiscal impact to the Department.

## **IMPACT TO COMMERCE:**

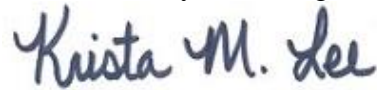
### **NOT SIGNIFICANT**

Assumption:

- The changes to the IVP proposed with this legislation are not expected to significantly impact commerce or the number of jobs in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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